

Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of Claims:

1. (Currently Amended) A method of creating and maintaining financial assets which accentuate different types of sub-loan level risk associated with a plurality of home mortgage loans and which are configured to operate as hedges against risks that oppose the different types of sub-loan level risk comprising:

decomposing each of ~~[[a]]~~the plurality of home mortgage loans into a plurality of sub-loan level cash flows;

repackaging the plurality of sub-loan level cash flows to form ~~the a plurality of~~ financial assets, ~~including: backed by the plurality of sub-loan level cash flows;~~

selecting a sub-combination of the plurality of sub-loan level cash flows, the sub-combination of sub-loan level cash flows comprising like-ones of the plurality of sub-loan level cash flows from across the plurality of home mortgage loans, and the sub-combination of sub-loan level cash flows exhibiting heightened sensitivity to at least one of the different types of sub-loan level risk in accordance with the heightened sensitivity to the at least one of the different types of sub-loan level risk exhibited by the like-ones of the sub-loan level cash flows that form the sub-combination of sub-loan level cash flows,

packaging the sub-combination of sub-loan level cash flows to create one of the financial assets, the financial asset that is created accentuating the at least one of the different types of sub-loan level risk in accordance with the heightened sensitivity exhibited by the sub-combination of sub-loan level cash flows, thereby configuring the financial asset to operate as a hedge against a risk that opposes the at least one of the different types of sub-loan level risk, and

repeating the selecting and packaging steps to create additional financial assets, the additional financial assets including different financial assets which accentuate other ones of the different types of sub-loan level risk and which exhibit heightened

sensitivity to the other ones of the different types of sub-loan level risk as compared to the sensitivity to the other ones of the different types of sub-loan level risk exhibited by the plurality of home mortgage loans as a whole, thereby configuring the additional financial assets to operate as hedges against other risks that oppose the other ones of the different types of sub-loan level risk;

making a determination of accounting rules that apply to the ~~plurality of~~ financial assets; and

storing and tracking accounting data for the ~~plurality of~~ financial assets based at least in part on the accounting rules, wherein the accounting data is stored in a data storage system.

2. (Original) A method according to claim 1, wherein the plurality of sub-loan level cash flows include a first plurality of sub-loan level cash flows derived from principal payments of a borrower, a second plurality of sub-loan level cash flows derived from interest payments of a borrower, and a third plurality of sub-loan level cash flows derived from borrower-paid fees.

3. (Original) A method according to claim 2, wherein the plurality of sub-loan level cash flows include a sub-loan cash flow that is a negative cash flow from a perspective of one or more owners of the plurality of financial assets, the negative sub-loan cash flow being associated with expenses incurred in connection with the respective loan and arising from borrower default.

4. (Original) A method according to claim 2, wherein the second plurality of sub-loan level cash flows derived from interest payments include a cash flow associated with servicing fees, a cash flow associated with guarantee fees, and a cash flow associated with pass through interest.

5. (Original) A method according to claim 1, further comprising storing information pertaining to a mapping relationship between the plurality of financial assets and the

plurality of sub-loan level cash flows, the mapping relationship describing a manner in which cash flows flowing into each of the plurality of financial assets are traceable back to the plurality of sub-loan level cash flows.

6. (Original) A method according to claim 5, further comprising displaying the information pertaining to the mapping relationship to a human operator, the displaying step being performed by a computer-implemented cash flow repackaging tool used by the human operator.

7. (Original) A method according to claim 5, further including applying accounting logic configured to apply accounting rules to the plurality of financial assets.

8. (Currently Amended) A method according to claim 1, further comprising displaying [[the]an impact of accounting on the financial performance of the plurality of financial assets.

9. (Original) A method according to claim 1, further comprising analyzing financial risk associated with the plurality of sub-loan level cash flows and displaying a graphical representation of the financial risk to a human operator, the analyzing and displaying steps being performed by computer-implemented financial engineering tools in consideration of accounting rules.

10. (Original) A method according to claim 1, wherein at least one of the plurality of financial assets is a financial instrument backed borrower paid fees and not by principal or interest, and wherein the method further comprises paying an owner of the financial instrument with funds derived from proceeds of borrower paid fees.

11-19. Cancelled.

20. (Currently Amended) A method of creating and maintaining financial assets which accentuate different types of sub-loan level risk associated with a plurality of home mortgage loans comprising:

acquiring a home mortgage loan having a loan asset and a servicing asset;
~~compensating a servicer that performs servicing of the loan during a term of the~~
~~loan, wherein compensation provided to the servicer does not decrease through time during the~~
~~term of the loan; and~~

accounting for ~~[[the]]~~a compensation provided to ~~[[the]]~~ a servicer, including
relating the compensation to the value of the home mortgage loan~~[[.]], wherein compensation~~
~~provided to the servicer does not decrease through time during a term of the loan, the accounting~~
~~being performed by a computer-implemented data processing system;~~

~~selecting a sub-combination of the plurality of sub-loan level cash flows, the sub-~~
~~combination of sub-loan level cash flows comprising compensation provided to the servicer from~~
~~across the plurality of home mortgage loans, and the sub-combination of sub-loan level cash~~
~~flows exhibiting heightened sensitivity to at least one of the different types of sub-loan level risk,~~

~~packaging the sub-combination of sub-loan level cash flows to create a financial~~
~~assets, the financial asset accentuating the compensation provided to the servicer, and~~

~~repeating the selecting and packaging steps to create additional financial assets,~~
~~the additional financial assets including different financial assets which accentuate other types of~~
~~sub-loan level risk and which exhibit heightened sensitivity to the other ones of the different~~
~~types of sub-loan level risk thereby configuring the additional financial assets to operate as~~
~~hedges against other risks that oppose the other ones of the different types of sub-loan level risk,~~

21. (Original) A method according to claim 20, wherein the loan comprises a loan
asset and a servicing asset, the loan asset comprising a right to receive loan payments from a
borrower in connection with the loan, the loan payments comprising a principal payment portion
and an interest payment portion, the servicing asset comprising a right to receive a servicing fee
portion of the interest payment portion in exchange for performing servicing of the loan, wherein
the servicing fee portion of each loan payment decreases as an unpaid principal balance of the
loan decreases.

22. (Original) A method according to claim 21, wherein compensation provided to the servicer is substantially fixed during the term of the loan.

23. (Original) A method according to claim 21, wherein compensation provided to the servicer increases during the term of the loan.

24. (Original) A method according to claim 21, wherein relating the compensation to the home mortgage loan includes valuing the compensation based on the value of the home mortgage loan.

25. (New) The method according to claim 1, further comprising:
selling the financial assets to different investors in the capital markets, thereby permitting the different investors to hedge against the risks that oppose the different types of sub-loan level risk.